UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/714,739	11/16/2000	Thomas D. Paasche	9974/56 (BH2090.P2)	5204

757	7590	03/31/2004		EXAMINER

GENERAL NUMBER 00757
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ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 03/31/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

	Application No.	Applicant(s)
Office Action Summary	09/714,739	PAASCHE ET AL.
	Examiner	Art Unit
	James H Zurita	3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on <u>08 December 2003</u>.

2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) *157-168,170-186 and 188-199* is/are pending in the application.

   4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) *157-168,170-186 and 188-199* is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

   Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a)☐ All b)☐ Some * c)☐ None of:

   1.☐ Certified copies of the priority documents have been received.

   2.☐ Certified copies of the priority documents have been received in Application No. _____.

   3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

   a) ☐ The translation of the foreign language provisional application has been received.

14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.

4) ☐ Interview Summary (PTO-413) Paper No(s). _____.

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the

fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection.

Since this application is eligible for continued examination under 37 CFR 1.114,

and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the

previous Office action has been withdrawn pursuant to 37 CFR 1.114.

Applicant's submission filed on 8 December 2003 has been entered.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or
composition of matter, or any new and useful improvement thereof, may obtain a patent
therefor, subject to the conditions and requirements of this title.

Claim 157 is directed to two statutory classes, a method and a system.

Claim 192, directed to a system is rejected under 35 U.S.C. 101 because

the disclosed invention is inoperative and therefore lacks utility.

Claim 192 is directed to a system, but fails to mention program(s) and

executable code embedded in computer-readable medium. Also, the system is

incapable of work since there are no processors to run any program.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action

can be found in a prior Office action.

Claims 157-168,170-186 and 188-199 are rejected under 35 U.S.C. 103(a) as being unpatentable over Edelson et al. (US Patent 5,737,539) in view of AMWAY® Products Delivered on your Schedule, Customer Order Worksheet, published 06/24/1998 (hereinafter Amway).

As per claim 157 Edelson discloses methods for facilitating electronic commerce through a network. The network includes at least one server capable of communicating with remote client computers. The remote client computers have different screens that may be used to place recurring orders in medications and drugs. See, for example, entry screens, Fig. 1 and related text. See also prescription creation screen, Fig. 3 and related text. Edelson discloses:

receiving a first order for one or more of a plurality of electronic commerce system products or services and corresponding to files. See, for example, references to prescriptions (applicant's orders), service or parts orders, Col. 1, lines 1-15, Col. 3, lines 66-Col. 4, line 15, Col. 8, lines 20-62.

generating a first profile, said first profile comprising the first order and specifying a recurrence for the first order. See at least references to prescription profiles, for example, Col. 9, line 65-Col. 10, line 38. See also references to refills, Col. 2, lines 16-41. See also at least references to prescription creation screen, Col. 18, line 54-Col. 21, line 3. See also references to new prescriptions, at least Col. 24, line 60-Col. 26, line 54.

causing the first order to automatically recur one or more times according to the specification. See, for example, references to prescription quantification

and to number of times refilling is permitted, at least in Col. 25, line 35-Col. 26, line 54.

Edelson does not specifically mention a *browser* located at a remote client computer. Edelson does not specifically disclose that the products correspond to *web* files. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The steps of receiving an order, generating a profile and causing the order to recur would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, *see In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to disclose a browser located at a remote client computer and that the products correspond to web files because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Alternatively, Edelson discloses that his network can reach nationally, internationally across the Internet to multiple clients. See, for example, Col. 47, lines 1-20. See also Fig. 16 and related text. See also at least references to user-device clients (for example Col. 7, lines 16-32), multiple intelligent clients, at least Col. 45, lines 15-30. It is well known that Internet screens are often in the

form of HTML web pages that are viewed at remote clients by MICROSOFT and

NETSCAPE browsers. Therefore, it would have been obvious to one of ordinary

skill in the art at the time the invention was made to combine Edelson and the

use of browsers and web files. One of ordinary skill in the art at the time the

invention was made would have been motivated to combine Edelson and the use

of browsers and web files for the obvious reason that ease of use is important in

facilitating electronic commerce.

As per claim 174 (directed to a system), Edelson discloses at least one

server computer capable of communicating with a browser system located at a

remote client computer over a network. See, for example, Fig. 16 and related

text, which shows a network with at least one server and multiple remote client

computers. Edelson discloses that the server comprises executable code

tangibly embedded in computer-readable media (i.e., programs) that manage

orders for the system. The functions performed by the system include receiving

a first order for one or more products or services. See, for example, references

to prescriptions (applicant's orders), service or parts orders, Col. 1, lines 1-15,

Col. 3, lines 66-Col. 4, line 15, Col. 8, lines 20-62.

The system includes programs that generate a first profile, said first profile

comprising the first order and specifying a recurrence for the first order. See at

least references to prescription profiles, for example, Col. 9, line 65-Col. 10, line

38. See also references to refills, Col. 2, lines 16-41. See also at least

references to prescription creation screen, Col. 18, line 54-Col. 21, line 3. See

also references to new prescriptions, at least Col. 24, line 60-Col. 26, line 54.

The system also includes programs that cause the first order to automatically recur one or more times according to the specification. See, for example, references to prescription quantification and to number of times refilling is permitted, at least in Col. 25, line 35-Col. 26, line 54.

Edelson does not specifically mention a *browser* located at a remote client computer. Edelson does not specifically disclose that the products correspond to *web* files.

However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. However, the specific browser or web files used for entering and storing data does not patentably distinguish the claimed system. It would have been obvious to one of ordinary skill in the art at the time the invention was made to provide any type of data entry and data storage mechanism in the system taught by Edelson because the subjective interpretation of data entry and data storage does not patentably distinguish the claimed invention.

As per claim 192, Edelson discloses methods for facilitating electronic commerce through a network, where the network comprises at least one server computer capable of communicating with system(s) located at a remote client computer. The methods and system include:

establishing an automated order in response to the system. See rejection of claim 157.

repetitively sending a product or providing a service in response to (a).

See, for example, references to prescription fulfillment, at least Col. 26, line 55-

Col. 31, line 45.

As per claim 195, Edelson discloses methods for facilitating electronic

ordering of a product or service in response to a user selection through a

network, said network comprising at least one server computer capable of

communicating with a system located at a remote client computer and

establishing a standing order in response to the selection of the product or

service. See, for example, references to prescription fulfillment, at least Col. 26,

line 55-Col. 31, line 45. See also rejection of claims 157, 174 and 192, above.

As per claim 197, Edelson discloses methods for facilitating electronic

commerce in an electronic commerce system through a network, said network

comprising at least one server computer capable of communication with a

system located at a remote client computer, said method comprising:

(a)   receiving a standing order process selection. See rejection of claim 157.

(b)   providing standing order profile information, the standing order profile

information operable to allow a user to set up an automated order system that

sends products and/or services to the user at regular intervals, the standing order

profile information provided in response to (a). See rejection of claim 157.

(c)   establishing long-term orders of the products and/or services as a function

of the regular intervals. See rejection of claim 192.

As per claims 192, 195 and 197, Edelson does not specifically mention a

browser located at a remote client computer. Edelson does not specifically

disclose that the products correspond to *web* files. However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The steps of receiving an order, generating a profile, causing the order to recur and establishing long-term orders would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to disclose a browser located at a remote client computer and that the products correspond to web files because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Alternatively, Edelson discloses that his network can reach nationally, internationally across the Internet to multiple clients. See, for example, Col. 47, lines 1-20. See also Fig. 16 and related text. See also at least references to user-device clients (for example Col. 7, lines 16-32), multiple intelligent clients, at least Col. 45, lines 15-30. It is well known that Internet screens are often in the form of HTML web pages that are viewed at remote clients by MICROSOFT and NETSCAPE browsers. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Edelson and the use of browsers and web files. One of ordinary skill in the art at the time the

invention was made would have been motivated to combine Edelson and the use of browsers and web files for the obvious reason that ease of use is important in facilitating electronic commerce.

As per claims 159 and 179, *Edelson discloses* a marketing system. See, for example, at least Col. 24, lines 19-59.

As per claims 161 and 177, *Edelson discloses shipping* said first order to a user according to said first profile. See, for example, references to prescription fulfillment, at least Col. 26, line 55-Col.27, line 8.

As per claim 162, *Edelson discloses* Receive said first order from said registered user. See, for example, references to prescriptions (applicant's orders), service or parts orders, Col. 1, lines 1-15, Col. 3, lines 66-Col. 4, line 15, Col. 8, lines 20-62.

As per claims 163 and 181, *Edelson discloses* first profile further specifies a first recurrence interval upon elapse of which said first order is to recur. See, for examples, references to prescribed intervals, at least in Col. 27, lines 9-28, line 20.

As per claims 164 and 182, *Edelson discloses* first profile further specifies the regularity of said first recurrence interval. See, for examples, references to prescribed intervals, at least in Col. 27, lines 9-28, line 20.

As per claim 165 and 183, *Edelson discloses* Generate multiple standing orders, the multiple standing orders including the first standing order. See, for examples, references to prescribed intervals and multiple simultaneous prescriptions, at least in Col. 27, lines 9-28, line 20.

As per claims **167, 168, 185, 186** and **198**, *Edelson discloses* allow said

user to add [claims 168 and 198: remove] one or more of said plurality of

electronic commerce system products or services to said first order. See, for

example, at least Col. 18, line 54-Col. 23, line 25.

As per claims **169** and **187,** *Edelson discloses allowing a* user to modify

the recurrence. See, for example, at least Col. 25, line 35-Col. 26, line 54.

As per claims **184** and **186,** *Edelson discloses* allow a user to modify

said first profile. See, for example, at least Col. 18, line 54-Col. 23, line 25.

As per claim **193** and **199,** *Edelson discloses creating* a standing order

profile. See at least references to prescription profiles, for example, Col. 9, line

65-Col. 10, line 38. See also references to refills, Col. 2, lines 16-41. See also

at least references to prescription creation screen, Col. 18, line 54-Col. 21, line 3.

See also references to new prescriptions, at least Col. 24, line 60-Col. 26, line

54.

Edelson does not specifically disclose

o   standing order link is provided in response to the selection of the product or service and the
    standing order is established in response to selection of the standing order link, as in claim
    196.
o   a multi-level marketing system, as in claims 160 and 180.
o   Register a user with said electronic commerce system as a member or IBO, as in claim 162
    and 178
o   first order for products or services may be specified in eaches or bulk, as in claims 171 and
    189
o   first order for products or services may be specified in eaches or cases, as in claims 172 and
    190

Amway discloses that orders in an MLM system may be recurring or

standing orders. Amway also discloses the use of specifics such as start date

and end dates of an order and quantities in terms of eaches, cases, unit

quantities, lot quantities and bulk shipments. Amway also discloses that orders

and products in standing orders may be defined with time intervals upon elapse

of which an order is to recur. Multilevel Marketing is

> ... a system of retailing in which consumer products are sold by independent
> businessmen and women (distributors) usually in customers' home. Distributors
> are also encouraged to build and manage a sales force by recruiting, motivating,
> supplying and training others to sell the products or service. Distributors
> compensation is then based on the sales of the entire sales force in addition to
> personal sales.[1]

By definition, MLM systems such as disclosed by Amway may be directed

to distributors in multiple levels. As applicant admits,

> ... it is important to provide different incentives according to roles. One particular
> group might prefer to get commissions as a reward. Others might prefer not to
> show commissions as part of their income and might prefer to receive coupons or
> other types of discounts on merchandise. Further, the names used to distinguish
> among different classes of participants are often limited only by the collective
> imagination of a firm's marketing department. Thus one participant may readily
> recognize his compensation by using an illustrative term (e.g., happy member
> compensation, or health-conscious role model participant, etc.) where the same
> participant may be less comfortable with a term such as level-x, or level-y
> compensation/commission. (see admissions, below)

Therefore, it would have been obvious to one of ordinary skill in the art at the

time the invention was made to combine Edelson and Amway to disclose

- standing order link is provided in response to the selection of the product or service and the standing order is established in response to selection of the standing order link, as in claim 196.
- a multi-level marketing system, as in claims 160 and 180.
- Register a user with said electronic commerce system as a member or IBO, as in claim 162 and 178
- first order for products or services may be specified in eaches or bulk, as in claims 171 and 189
- first order for products or services may be specified in eaches or cases, as in claims 172 and 190

for the obvious reason that this type of marketing permits multiple parties to

enjoy income and benefits of selling products.

Edelson and Amway do not specifically disclose

- o   a mainframe computer, as in claim 175.

- o   receive said first order for products or services into a shopping cart and generate said

   first profile from said shopping cart in response to selection of a link associated with the

   shopping cart, as in claim 188.

However these differences are only found in the nonfunctional descriptive

material and are not functionally involved in the steps recited. However, the

specific browser or web files used for entering and storing data does not

patentably distinguish the claimed system. It would have been obvious to one of

ordinary skill in the art at the time the invention was made to provide any type of

data entry and data storage mechanism in the system taught by Edelson

because the subjective interpretation of data entry and data storage does not

patentably distinguish the claimed invention.

Response to Amendment

Amendment of 8 December 2003 amended claims 157 and 162 and

presented claims 157-198 as pending. However, applicant cancelled claims 169

and 187 by an amendment of 7March 2003.

Claims 157-168,170-186 and 188-199 remain and will be examined.

Response to Arguments

Applicant's arguments filed 8 December 2003 have been fully considered.

Applicant's arguments concerning *Shell* are moot in view of new grounds

of rejection. Applicant presents no arguments concerning the Amway reference.

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[1] Definition of MultiLevel Marketing, Barron's Dictionary of Business Terms.

A "traverse" is a denial of an opposing party's allegations of fact.[2] The

Examiner respectfully submits that applicants' arguments and comments do not

appear to traverse what Examiner regards as knowledge that would have been

generally available to one of ordinary skill in the art at the time the invention

was made. Even if one were to interpret applicants' arguments and comments

as constituting a traverse, applicants' arguments and comments do not appear

to constitute an <u>adequate traverse</u> because applicant has not specifically

pointed out the supposed errors in the examiner's action, which would include

stating why the noticed fact is not considered to be common knowledge or well-

known in the art. 27 CFR 1.104(d)(2), MPEP 707.07(a). An <u>adequate</u> traverse

must contain adequate information or argument to create on its face a

reasonable doubt regarding the circumstances justifying Examiner's notice of

what is well known to one of ordinary skill in the art. <u>In re Boon</u>, 439 F.2d 724,

728, 169 USPQ 231, 234 (CCPA1971).

If applicant does not seasonably traverse the well known statement

during examination, then the object of the well known statement is taken to be

admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943).

MPEP 2144.03 Reliance on Common Knowledge in the Art or "Well Known"

Prior Art. In view of applicant's failure to adequately traverse official notice, the

following are admitted prior art: (see previous Office Action):

> ... web links and on-line order updates are common and well known to one of
> ordinary skill in the art of electronic commerce.

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[2] Definition of Traverse, Black's Law Dictionary, "In common law pleading, a traverse signifies a
denial."

... user requirements change, often in relationship to fluctuations in the national and international economy. Thus, a user may wish to increase the size of an order for one or more products to meet increased demand for the products. This ability to meet rising demand is critical to the health of a market and provides greater benefit to both purchasers and sellers.

...in order for a computer to process standing orders, it is necessary that the information concerning the standing orders and products be stored in the computer. The data may be stored as one or more records in one or more databases. The data necessary to complete such a record may also be referred to as a profile.

... use of these terms [order profile, first profile and second profile] facilitates communication concerning the capabilities of a system. The terms first profile and second profile provide some guidance to those involved in electronic commerce that the items being discussed are separate orders and may combine different products and quantities for each product.

...it is well known that mainframe computers may be linked to various networks to access databases stored on legacy systems.

... the use of single or multiple shopping cards in an e-commerce environment is well known to one of ordinary skill in the art.

... many companies maintain huge databases on mainframes. The data on these machines can be made available without incurring additional costs by creating web-enabled front-end applications. This reduces the cost of implementing a on-line shopping system that may utilize modern web tools. One of the many tools that has become common is an electronic shopping cart. It would have been obvious to one of ordinary skill in the art at the time the invention was made to include the use of electronic shopping carts.

... obvious reason that shopping carts are an effective way of tracking items that a buyer wants to buy prior to checking out and actually carrying out a purchase over the Internet. A buyer can use the electronic shopping cart to keep track of what he has selected so far, and how much the contents of the cart will cost. Shopping carts permit efficient shopping sessions, and allows buyers to understand electronic shopping in terms of shopping's analogues in the physical world.

... Compensation is a direct and indirect monetary and nonmonetary reward given on the basis of the value of a job, contributions and performance. It is well known that multi-level marketing provides for several levels of compensation according to specified criteria.

... it is important to provide different incentives according to roles. One particular group might prefer to get commissions as a reward. Others might prefer not to show commissions as part of their income and might prefer to receive coupons or other types of discounts on merchandise. Further, the names used to distinguish among different classes of participants are often limited only by the collective imagination of a firm's marketing department. Thus one participant may readily recognize his compensation by using an illustrative term (e.g., happy member compensation, or health-conscious role model participant, etc.) where the same participant may be less comfortable with a term such as level-x, or level-y compensation/commission.

...in commerce, it is important for orders and quantities [standing orders, specific products in a standing order, and attributes for each product being ordered]to be defined as much as possible. A standing order contract, for example, may require specific amounts of particular products to be shipped. When a seller knows how much of a product must be sent, the seller can plan his inventory more effectively and be able to perform his contractual obligations. Similarly, buyers can make commitments for down-stream distribution when they are assured that they will have the materials on hand to sell to a second party. When such planning is not done properly, lawsuits and economic chaos may result. Uncertainty may lead to increased costs to buyers and sellers alike and may ultimately impact the economy as a whole, resulting in lost jobs and opportunities.

... computer-human interaction is facilitated with the use of links from one page to another. On the Web, such links are commonly called hyperlinks. They serve to facilitate the use of a web site according to the business needs of the system.
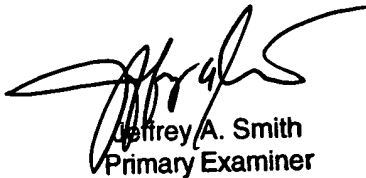
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 703-308-3588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from

the Patent Application Information Retrieval (PAIR) system. Status information

for published applications may be obtained from either Private PAIR or Public

PAIR. Status information for unpublished applications is available through

Private PAIR only. For more information about the PAIR system, see http://pair-

direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-

free).

James Zurita
Patent Examiner
Art Unit 3625
19 March 2004

Jeffrey A. Smith
Primary Examiner